

WINLOCK SCHOOL DISTRICT No. 232
Lewis County, Washington
September 1, 1991 Through August 31, 1993

Schedule Of Federal Findings

1. District Officials Should Monitor Supplanting Requirements For Federal Handicapped Programs

For fiscal year ending August 31, 1992, the aggregate amount expended by the district for the education of handicapped students using state and local funds was \$7,581 less than the aggregate amount spent in the most recent preceding fiscal year. Federal handicapped funds are to supplement and, to the practicable, increase the level of state and local funds expended, and in no case to supplant those state and local funds. These are supplanted expenditures.

34 Codification of Federal Regulations (CFR), Section 300.230 states in part:

The total amount or average per capita amount of state and local school funds budgeted by the local educational agency (district) for expenditures in the current fiscal year for the education of handicapped children in the most recent preceding fiscal year for which the information is available.

The federal handicapped funds are provided to be additional to the state and local funds spent for the education of handicapped children. The requirement of the federal program is to not supplant funds which have been "expended." Therefore, federal funds may not be used for any costs which were previously paid for with state or local funds. If the district has spent less state or local funds in the current year than the preceding year, either in the aggregate or average per capita, the federal funds are being used for costs previously paid with state or local funds.

Although the district officials budgeted for the current fiscal year an amount in aggregate and/or average per capita at least equal to that actually spent in the most recent preceding year, they did not actually spend as much as in the preceding year either in the aggregate or average capita amount.

The amount of supplanted expenditures is the lesser of the amount of decrease in aggregate expenditures or average per capita amount, whichever method brought the district closer to compliance with the nonsupplanting requirement.

This condition occurred because district officials did not have procedures to monitor the actual expenditures of the handicapped programs to ensure that the minimum amount either in the aggregate or average per capita amount will be spent by the end of the fiscal year.

Supplanted costs for this program mean that the handicapped children are not receiving the same level of services as those provided in the previous year.

We recommend that district officials supplement the federal handicapped program by

spending state and local funds in an amount at least equal in the aggregate or average per capita for the education of handicapped children in the current fiscal year as it did in the preceding year.

We further recommend that district officials develop and implement monitoring procedures to ensure that the current level of spending from state and local funds is in compliance with the nonsupplanting requirement.

We also recommend that the Office of Superintendent of Public Instruction recover the supplanted funds in the amount of \$7,581.